

125 WORTHEN ROAD, LEXINGTON

**SCOPE OF WORK PERFORMED**

TO: James Herscot  
Andrew Chaban

FROM: Daniel Endyke  
Tim White

SUBJECT: Captain Parker Arms Apartments, 94 Apartments  
125 Worthen Road, Lexington, MA

DATE: December 9, 2004

Pursuant to your request, Tim White and I have reviewed the financials statement, rent roll, capital needs study, and other information on the above-referenced asset. This memorandum shall provide you with a brief overview of our research.

Captain Parker Arms consists of 94 apartments in a terrific location. The asset is well maintained but has significant deferred capital – most of this is comprised of necessary upgrades to the kitchens and baths of all units. Dolben provided us with a 5 year capital need study which averages \$14,000 per unit. We find this review and associated costs to be appropriate.

According to this information provided by Dolben, the property's value based upon the below listed capitalization rates and NOI assumptions (projected actual and budget) is as follows:

**2004 ACTUAL NOI – 720,744**

<u>Cap Rate</u>	<u>Property Value – Per Unit</u>
5%	\$153,350
5.5%	139,409
6%	127,791
6.5%	117,961

**2004 BUDGETED NOI – \$861,831**

<u>Cap Rate</u>	<u>Property Value – Per Unit</u>
5%	\$183,368
5.5%	166,698
6%	152,807
6.5%	141,052

The acknowledged capital needs of \$14,000 per unit should be backed off these values. Please let me know how you would like to proceed. The back-up to this summary is attached.

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